



Project-affected People's
Mechanism (PPM)

Public Consultations with AIIB Clients

PPM Policy Review

May 2024



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1. Introduction and Context

- The Policy on Project-affected People's Mechanism (PPM Policy) was adopted on Dec. 7, 2018 and became effective on March 31, 2019.
- As per the PPM Policy:
 - “The Policy shall be reviewed no later than five years from its adoption. The MD-CEIU shall initiate and guide the review. The review shall take into account the views gathered through public consultations, including with Project-affected communities, AIIB Members, clients and other stakeholders” (PPM Policy, Clause 11.4).
- PPM review is due in FY2024.
- The MD-CEIU presented the Roadmap to the Board's Policy and Strategy Committee (PSC), which endorsed it in Dec. 2023.
- The Board also discussed the Approach Paper in March 2024, and it has been disclosed publicly.

1. Introduction and Context



Objective

- To assess the effectiveness of the PPM and make recommendations to the Board of Directors (the Board) for enhancing the PPM's visibility, accessibility, and responsiveness to Project-affected People, and AIIB's accountability.

Elements

- Survey on the visibility and accessibility of the PPM
- Approach paper on the PPM Review
- External review (to look at the PPM experience so far, lessons learned, best practices)
- Stakeholder consultations (AIIB Members, Clients (sovereign & nonsovereign), implementing agencies, CSOs/NGOs, project-affected communities, operational staff, etc.)
- Interaction with peer IAMs also undergoing policy reviews.
- Consultation with AIIB Management
- Legal inputs from the General Counsel
- PSC and Board guidance, endorsement and policy approval

1. Introduction and Context

Guiding Principles for the Review

- The MD-CEIU initiates and guides the review.
- Strict focus on the PPM Policy.
- Transparency and disclosure of all relevant documents.
- Inclusive and broad (internal and external) consultative process.
- Build upon institutional experience and learning.
- Clear distinction between findings of the review and potential policy revisions. As per the Rules of Procedure of the Board of Directors, the President, based on the MD-CEIU's proposal, will submit and include in the Board agenda any final recommended revisions of the policy to the Board.
- The review will consider potential improvements in the current policy or its implementation based on lessons learned from PPM's own experience as well as of other IAMs.



2. PPM During First Five Years

Operations

- As of end-Feb. 2023, PPM has received only three submissions, all of which were declared ineligible for further processing.
- There are at 33 complaints related to 9 AIIB co-financed projects received by the IAMs of co-financier IFIs.
- **Outreach activities of the PPM aim at increasing awareness about the PPM among external stakeholders.**
 - Stand-alone and joint outreach activities with other IAMs
 - With CSOs and implementing agencies
 - Open outreach seminars
- **Inreach activities of the PPM aim at increasing awareness about PPM among AIIB project teams.**
 - E-learning course on PPM
 - Regular trainings under operational training programs
 - Practitioner Dialogues
 - Accountability alerts
- **The PPM is a member of the Independent Accountability Mechanism Network (IAMnet).**
 - Regular interaction with other IAMs on operational issues
 - Knowledge sharing and learning

3. PPM Review - Key emerging issues

PPM Visibility

- Information about the PPM in Project Documents
- Disclosure of Information to Project-affected Communities
- PPM outreach with CSOs

PPM Accessibility

- Who can File a Submission
- Stage of Financing for Compliance Review
- Reliance on IAMs of Lead Co-financiers
- Requirement of the prior contact with GRM and/or Management
- Arbitral or Judicial Proceedings
- Representation by CSOs

PPM Effectiveness

- Ability to Make Recommendations for Remedial Actions
- Monitoring of Remedial Actions
- Other Issues (e.g., responsible exit)

4. Stakeholder Engagement Plan

Stakeholder Engagement Plan (SEP) spells out the stakeholder consultation process, approach, and timeline during the PPM Review.

Principles

- Consultations will be inclusive and broad-based.
- Consultations will be conducted in a transparent and meaningful manner.
- Consultations will aim to solicit candid feedback in a safe environment from all key stakeholders, including AIIB Members, clients (sovereign and nonsovereign), civil society, project-affected communities and AIIB operational staff.

Stakeholder Map and Consultations



▪Written feedback / comments

▪Virtual consultations

- General
- Thematic
- Focus Groups

▪In-person consultations

- China
- India
- Pakistan / Bangladesh
- Indonesia / Türkiye

- Uzbekistan
- Brazil
- Europe
- DC-based CSOs & IAMs

4. Stakeholder Engagement Plan

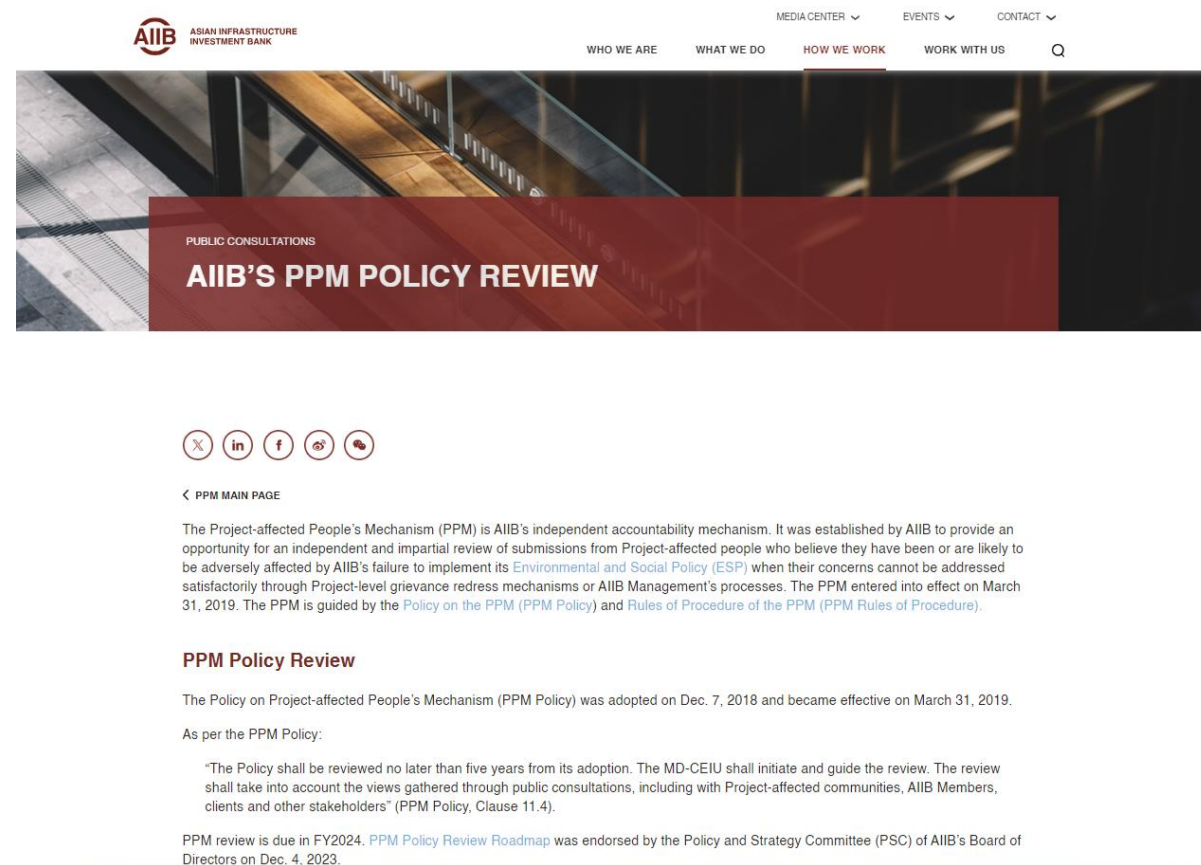
Consultation Phases

Consultation Phase	Activities	Indicative Schedule
Phase 1a: Public Consultations	Public consultation through the PPM review webpage (already initiated)	January - July 2024 (Status: Underway)
Phase 1b: In-Country and Virtual Consultations	<p>-General consultations focused on the review process and high-level issues [virtual and in-country (2-3)].</p> <p>-Thematic consultations focused on specific issues that may arise during the general consultations (e.g., visibility, accessibility, effectiveness, etc.) [virtual and in-country (2-3)].</p> <p>-Focus group discussions with interest groups in specific areas highlighted during thematic consultations [virtual (2-3)].</p>	April - September 2024 (Status: Underway)
Phase 2: Consultations on the Revised Draft Policy	Written feedback from the stakeholders on the revised draft policy before its finalization and submission to the Board for approval.	December 2024 - March 2025

4. Stakeholder Engagement Plan

PPM Policy Review Webpage

- The PPM has established a webpage dedicated for the [PPM Review](#).
- This webpage serves as the primary information channel of the PPM Review.
- All details about the review process and major updates are available on the webpage.
 - Key documents & information materials
 - Consultation schedule
 - Summaries of consultations
- ppmreview@aiib.org
 - Serves as another distribution channel for major updates and announcements to stakeholders.
 - Functions as a receiving channel for feedback on the PPM Review process.



Guiding Questions for AIIB Clients

- What can PPM do to improve its visibility to the project-affected people / communities?
- What can PPM do to improve its accessibility to the project-affected people / communities?
- What can PPM do to improve its effectiveness in addressing E&S related grievances?
- What features of PPM Policy are particularly important for AIIB Clients?
- What are some of the key changes you want to see in PPM Policy?



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Additional Slides

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Review Phases and Timeline

Phases	Activities	Key Stakeholders	Timeline
1. Preparatory Work	<ul style="list-style-type: none"> -Survey of the visibility and accessibility of the PPM -Preliminary consultations with CSOs before and during AIIB Annual Meeting -PSC endorsement of the PPM Review Roadmap -Board's discussion on the Approach Paper on the PPM Review -External review 	PSC, AIIB Management, CSOs	Q3, 2023 to Q1, 2024
2. Stakeholder Consultations Phase 1	<ul style="list-style-type: none"> -In-person and virtual consultations <ul style="list-style-type: none"> -General -Thematic -Focus groups -Public consultation -Summary report on stakeholder consultations 	Board of Directors, AIIB Management, AIIB Members, Clients (sovereign and nonsovereign), Implementing Agencies, IAMs, CSOs, Project- affected communities, etc.	Q2, 2024 to Q3, 2024
3. Review Findings and Identification of Key Issues	Discussion of the review (identification of key issues and proposed recommendations / revisions) with the Board	Board of Directors, AIIB Management	Q3, 2024
4a. Drafting of Revisions	-Drafting of PPM Policy revisions (as needed).	CEIU	Q4, 2024
4b. Phase 2 Consultations	-Consultations on the draft PPM Policy revisions	Board of Directors, AIIB Management, AIIB Members, Clients (sovereign and nonsovereign), Implementing Agencies, IAMs, CSOs, Project- affected communities, etc.	Q4, 2024 to Q1, 2025
5. Board Submission	Consideration of the final draft policy revisions by the Board for approval	Board of Directors	Q2, 2025
6. Implementation	<ul style="list-style-type: none"> -Adjustments in PPM- related documents, website, templates, etc. -Outreach activities 	AIIB Management, AIIB Members, Clients (sovereign and nonsovereign), Implementing Agencies, CSOs, Project-affected communities, etc.	Q3, 2025 Onwards

Action Plan to Improve Visibility and Accessibility

Improve periodic interaction with civil society

- Organize quarterly meetings with CSOs on PPM related matters.
- Continue with the CEIU Forum with CSOs during the AIIB Annual Meeting.

Improve PPM's visibility to CSOs and local communities

- Expand PPM's Outreach
- Regularly organize regional / country-focused outreach sessions with CSOs and AIIB clients, preferably in local languages.
- Engage local CSOs and communities in outreach sessions at the grass-roots level.
- Organize regular PPM trainings for CSOs.
- Prepare an e-learning course on PPM for CSOs.

Improve PPM's accessibility for CSOs and local communities

- Prepare a 'PPM Online Submission Form' for people to file complaints using their cell phones.
- Prepare QR Codes for filing complaints to PPM and accessing PPM information. Make these QR codes available at project sites.
- Translate PPM Policy in multiple languages and make it available on the AIIB website.
- Help improve access of people to PPM and project information through workshops with clients and local communities.

Submissions to PPM

No.	Submission Year	Member	Project Name	PPM Function	Requestors and Issues of Submission	Status	Remarks
3	2024	India	India: Delhi-Meerut Regional Rapid Transit System (RRTS) Project	Dispute Resolution	Requestors: Two requestors who are residents of Sidharth Extension, New Delhi (including 19 co-signatories) Issues raised: Alleged lack of disclosure of information and documents; lack of transparency and rationale about selection of the track alignment; harmful impacts on mental health of residents and disruption of utility services.	Ineligible	Date received: Feb. 14, 2024 Date acknowledged: Feb. 20, 2024 Determination of eligibility: Feb. 20, 2024 Eligibility Assessment: Ineligible. The project is co-financed with the Asian Development Bank (ADB). As per the co-financing framework agreement between ADB and AIIB, ADB's Safeguards Policy Statement (SPS) is the applicable environmental and social policy on this project. Furthermore, ADB's Accountability Mechanism is responsible for handling all complaints relating to E&S issues that may arise under the Project. Consequently, in accordance with AIIB's Policy on PPM (Section 5.1.6), this submission is not eligible for consideration by the PPM.
2	2022	Bangladesh	Bangladesh: Bhola IPP Project	Dispute Resolution	Requestors: Six requestors who asked for confidentiality Issues raised: Alleged lack of consultation with the communities; inadequate land compensation; environmental damage to the adjacent water channel.	Ineligible	Date received: April 8, 2022 Date acknowledged: April 14, 2022. Determination of eligibility: Feb. 28, 2023 Eligibility Assessment: Ineligible. The Requestors have not made good faith efforts to resolve the issues with the AIIB Management and have not indicated to the satisfaction of the PPM why they have been unable to do so.
1	2019	India	India: Mumbai Metro Line 4 (Line 4 (Wadala – Kasarvadavali) Project	-	Requestors: One requestor who asked for confidentiality Issues Raised: Alleged lack of consultation with the communities on the project; threat to residential buildings in the vicinity of the track; cutting of trees in the project area.	Ineligible	Date received: June 19, 2019 Determination of eligibility: June 20, 2019 Eligibility Assessment: Ineligible. The project was dropped from AIIB's pipeline of proposed projects and never submitted for approval no project summary information was issued; the submission was made by fewer than two individuals.

Cases on AIIB-financed Projects with IAMs of Co-financiers

No.	Name of the Project	Cases with ADB OSPF	Cases with ADB OCRP	Cases with EBRD IPAM	Cases with EIB CM	Cases with IFC CAO	Cases with World Bank Inspection Panel
1	<u>Bangalore Metro Rail Project - Line R6</u>				3		
2	<u>Pakistan: Balakot Hydropower Development Project</u>	3	1				
3	<u>Pakistan: Karachi Bus Rapid Transit Red Line Project</u>	4	1				
4	<u>Delhi-Meerut Regional Rapid Transit System Investment Project</u>	3					
5	<u>Pakistan: Khyber Pakhtunkhwa Cities Improvement Project</u>	1	1				
6	<u>Batumi Bypass Road Project</u>	3					
7	<u>Nenskra Hydropower Project (Proposed)</u>		1	1	3		
8	<u>Egypt: Egypt Round II Solar PV Feed-in Tariffs Program</u>					7	
9	<u>Egypt, Arab Republic of: Sustainable Rural Sanitation Services Program For Results (P154112) and its Additional Financing (P166597)</u>						1
	Sub-Total	14	4	1	6	7	1
	Grand Total	33	33				



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